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UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEVADA

In re:

METAL RECOVERY SOLUTIONS, INC.,
aka MRS, INC,

Debtor.

Case No.: 20-50660-gs

Chapter 7 Case

**THE SEALS' OPPOSITION TO MOTION
TO COMPEL COMPLIANCE WITH
SALE ORDER**

Hearing Date: June 26, 2023

Hearing Time: 9:30 a.m.

Thomas Seal ("Dr. Seal") and Jette Seal ("Mrs. Seal," and together with Dr. Seal, "the Seals"), by and through their counsel, Elizabeth Fletcher, Esq., Fletcher & Lee, hereby oppose Geo-Logic Associates, Inc.'s ("GLA") Motion to Compel Compliance with Sale Order ("Motion"). Docket No. 330. In support of this Opposition, the Seals submit the following memorandum of points and authorities and the papers and pleadings on file in this case and the related adversary proceeding, of which the Seals ask the Court to take judicial notice. Fed. R. Evid. 201.

Dr. Seal files this opposition for the limited purpose of correcting the record in response to GLA's baseless accusation that it is Dr. Seal who has caused Element Global, Inc. (the "Buyer" or "Element") to delay closing the sale transaction. Docket No. 330. In the Motion, GLA alleges that the reason Element has not yet closed on the sale of the Estate's assets in compliance with the Court's Order Approving Trustee's Motion to Approve Sale of Claims and Other Bankruptcy

1 Estate Assets (the “Sale Order”), Docket No. 317, is somehow the fault of Dr. Seal or due to a
2 conspiracy between Dr. Seal, Element and Jex Technologies, Inc. (“Jex”). Docket No. 330. (“At
3 every turn, Thom Seal and his companies MRS and Differential have sought to delay the ultimate
4 resolution of this matter at the expense of GLA and MRS’s other creditors. The latest delay tactics
5 are being carried out with the help of Element and Jex Technologies, again at the expense of GLA
6 and other creditors. GLA was and is fully prepared to close on its purchase of estate assets. Element
7 and Jex were within their rights to make *legitimate* overbids, but it is becoming apparent that
8 Element is unable or unwilling to close, and Jex is more than happy to just delay.”). GLA further
9 implies that counsel for Dr. Seal and Differential Engineering “changed position and decided they
10 must attend the hearing in person” merely to delay the auction. Id. None of these allegations are
11 true.

12 First, it is important to point out that GLA provides *zero* evidence to support its unfounded
13 contentions. Rather, GLA simply casts aspersions at Dr. Seal throughout its Motion without any
14 sort of evidentiary basis. GLA’s allegations are simply a continuation of the false representations
15 that have been thrown around for years by GLA in an attempt to smear Dr. Seal’s reputation.

16 With respect to the conspiracy allegation, GLA’s Motion completely ignores this Court’s
17 findings in the Sale Order as to the good faith nature of the sale transaction. Docket No. 317. On
18 April 17, 2023, this Court held an evidentiary hearing – at GLA’s insistence – to delve into whether
19 the sale of the Estate’s assets to Element is an arms-length transaction. The request for an
20 evidentiary hearing was primarily based on GLA’s suspicions that Dr. Seal had colluded with Jex
21 and/or Element during the sale and bidding process. GLA had suspicions *despite* the fact that
22 during the auction itself, GLA stopped bidding while Element and Jex/Seal bid against each other
23 several more times, actually *increasing* the ultimate sale price for both parties. After taking
24 evidence at the April 17 hearing – including the testimony of (1) Dr. Seal, (2) Steve Gagnon, the
25 Co-Chief Executive Officer, Chief Operating Officer and Director of Element, and (3) David
26 McMullin, the Chief Executive Officer of Jex – this Court concluded that there is no evidence of
27 collusion, that the sale is an arms-length transaction and that “Element Global, Inc., Jex
28 Technologies, Corp., and Dr. Seal are entitled to and granted the protections of §363(m) as good

1 faith purchasers.” Docket No. 317.

2 Second, the Trustee has exercised his reasonable business judgment to provide Element
3 with two short extensions of time. On June 7, 2023, the Trustee filed his Amended Notice of
4 Extension of Time for Empire Capital Management, LLC to Tender the \$2,500,000 Pursuant to
5 This Court’s May 5, 2023 Order Approving the Trustee’s Motion to Approve the Sale of Claim
6 and Other Bankruptcy Estate Assets (the “Notice”), to notify the Court that Element requested,
7 and the Trustee granted (with conditions), two short extensions of time for Element to close the
8 transaction. Docket No. 329. As the Trustee stated in the Notice, he used his reasonable business
9 judgment to permit both extensions, requiring each time that Jex and Dr. Seal sign a document
10 reaffirming the requirements of the Sale Order that they are bound as back-up bidders in the event
11 that Element does not perform. Id. Jex and Dr. Seal signed both reaffirmations and are standing
12 by with funds, ready to perform. Id. Moreover, for the second extension, the Trustee required that
13 Element pay \$50,000, which will be applied to the purchase price upon closing and is
14 nonrefundable should Element fail to perform. Id. Element complied with that requirement
15 immediately. Id. GLA is well protected in the event that Element fails to close the transaction.

16 Finally, it should be noted that GLA appears to have manufactured this timing
17 “emergency.” While it is understandable that GLA would like to be paid on its claim, GLA does
18 not provide any reason – other than wanting to be paid and alleging paranoid conspiracies – as to
19 why a month-long delay is so prejudicial or so dire that it was compelled to drag all parties into
20 court on shortened time. There is no emergency here.

21 Based on the foregoing and any argument the Court may entertain at the hearing on the
22 Motion, the Seals respectfully request that the Court deny the Motion and allow Element to
23 perform by June 30, 2023.

24 DATED this 22nd day of June, 2023.

25 FLETCHER & LEE

26 /s/ Elizabeth Fletcher, Esq.
27 ELIZABETH FLETCHER, ESQ.
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CERTIFICATE OF SERVICE

Pursuant to Fed. R. Civ. P. 5(b), I certify under penalty of perjury that I am an employee of Fletcher & Lee, 448 Ridge Street, Reno, Nevada 89501, and that on June 22, 2023, I served the The Seals' Opposition to Motion to Compel Compliance with Sale Order by ECF to all those persons registered with the United States Bankruptcy Court for electronic notice in this matter as follows:

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